BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION)				
OF DELMARVA POWER & LIGHT COMPANY)				
FOR AN ANNUAL UPDATE IN THE GAS)	PSC	DOCKET	NO.	10-290
ENVIRONMENTAL SURCHARGE RIDER)				
RATE (ESR) (FILED AUGUST 31, 2010))				

ORDER NO. 7858

AND NOW, this 19th day of October, 2010:

- August 31, 2010, Delmarva Power & Light Company ("Delmarva" or the "Company") filed with the Delaware Public Service Commission (the "Commission") its annual application "Application") for the Gas Environmental Surcharge Rider ("ESR") rate to become effective November 1, 2010. With its application, Delmarva submitted direct testimony from Leonard J. Beck, Regulatory Affairs Lead. The application requested a decrease in the ESR rate from \$0.00206 per ccf to \$0.00100 per ccf for all firm delivery service customers. According to the Application, a typical residential space heating customer using 120 ccf of gas in a winter month would experience an approximate 13 cent decrease in his monthly winter bill.
- 2. The Public Advocate exercised his statutory right of intervention on September 1, 2010.
- 3. By Order No. 7826 dated September 7, 2010, the Commission permitted the proposed rates to become effective with service on and after November 1, 2010, with proration, subject to modification and refund after a public evidentiary hearing to be conducted by the Commission at its October 19, 2010 meeting. Delmarva published notice of the filing of its Application and of the public evidentiary hearing in the News-Journal newspaper on September 15 and 16, 2010.

- On October 19, 2010, the Commission conducted the dulynoticed public evidentiary hearing. At the evidentiary hearing, Delmarva, the Commission Staff and the Public Advocate presented the Commission with a proposed Settlement Agreement in which the parties that Delmarva's Application should agreed be approved. Representatives of Staff and the Public Advocate testified that they had reviewed the Application and conducted an audit of the claimed expenses. They concluded that the proposed ESR rate complied with the Company's tariff and would result in just and reasonable rates, and that the settlement was in the public interest because it would eliminate the legal costs and expenditure of time associated with conducting discovery and filing additional testimony. Delmarva also presented a witness to testify that the settlement was in the public interest and would result in just and reasonable rates.
- 5. We admitted four exhibits into evidence: Ex. 1 Affidavit of Publication of Public Notice; Ex. 2 the Application; Ex. 3 the direct testimony of Leonard J. Beck, Regulatory Affairs Lead for Delmarva Power & Light Company; and Ex. 4 the proposed Settlement Agreement.

NOW, THEREFORE, BY THE AFFIRMATIVE VOTE OF NO FEWER THAN THREE COMMISSIONERS, IT IS HEREBY ORDERED:

- 1. That the proposed Settlement Agreement admitted as Ex. 4 (and attached hereto) will result in just and reasonable rates, is in the public interest and is APPROVED.
- 2. That Delmarva shall be permitted to charge the proposed ESR rate, effective with service on and after November 1, 2010.

PSC Docket No. 10-290, Order No. 7858 (Cont'd)

/s/ Alisa Carrow Bentley______ Secretary

	3.	That	the Com	nmission	res	serves	the	juris	dicti	lon	and	autho	rity
to	enter	such	further	orders	in	this	docke	et as	may	be	nec	essar	y 01
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